



U.S. DEPARTMENT OF ENERGY
Office of Electricity Delivery and Energy Reliability
Infrastructure Security and Energy Restoration

ENERGY ASSURANCE DAILY

Thursday Evening, December 04, 2008

Electricity

AES's 332 MW Alamitos Gas-fired Unit 3 in California Shut by December 3

According to the California Independent System Operator, the unit experienced an unplanned outage.

<http://www.caiso.com/unitstatus/data/unitstatus200812031515.html>

OPG's 490 MW Nanticoke Coal-fired Unit 3 in Ontario Shut by December 4

The unit shut for short work. The company does not know how long the unit will be out of service. Electricity traders guessed the unit would return within a week.

Reuters, 09:59 December 4, 2008

Mountainview's 525 MW Mountainview Gas-fired Unit 3 in California Shut by December 3

The California Independent System Operator reported the unit experienced an unplanned curtailment of 285 MW.

<http://www.caiso.com/unitstatus/data/unitstatus200812031515.html>

TVA's 1,155 MW Browns Ferry Nuke Unit 1 in Alabama Reduced to 22 Percent by December 4

The Nuclear Regulatory Commission reported on the morning of December 3 the unit was operating at 38 percent. Information derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2008/>

Update: Constellation's 1,120 MW Nine Mile Point Nuke Unit 2 in New York at Full Power by December 4

The Nuclear Regulatory Commission reported on the morning of December 3 the unit was operating at 80 percent. Information derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2008/>

U.S. Senate Majority Leader Reid Said December 3 that He Will Not Allow an Energy Secretary Who Supports Yucca Mountain Nuclear Waste Dump Site in Nevada

<http://www.sfgate.com/cgi-bin/article.cgi?f=/n/a/2008/12/03/financial/f145211S10.DTL>

Petroleum

Compressor Failure at Valero's 190,200 b/d Delaware City, Delaware Refinery December 4

Bloomberg News, 04:03 December 4, 2008

Power Failure Shuts Compressor at Motiva's 300,000 b/d Port Arthur, Texas Refinery December 4

Bloomberg News, 16:24 December 4, 2008

Valero's 36,000 b/d Hydrocracker at its 340,000 b/d Corpus Christi, Texas Refinery Shut December 2

According to a company spokesman, the unit will be shut for seven days for unplanned repairs. The shutdown of the hydrocracker will most likely affect distillate production, not gasoline production.

Reuters, 12:21 December 4, 2008

Enbridge Commences Construction on 400,000 b/d Crude Pipeline from Alberta to Wisconsin

The line is part of the company's "southern access program", which will connect to a network of pipelines from Canada to North America. A section of the line is expected to be operational in the spring, and should be fully operational late 2010 or 2011.

<http://www.pjstar.com/news/x43170522/Oil-pipeline-extension-still-awaiting-approval>

Statoil Withdraws Application for Oil Sands Upgrader in Alberta

Statoil had planned to construct a refinery or upgrader in Alberta after purchasing 257,000 acres of oil sands lease in 2007.

<http://www.reuters.com/article/rbssEnergyNews/idUSL474273320081204>

BHP Billiton Approved for North West Shelf Redevelopment Project in Australia

The North West Shelf Cossack, Wanaea, Lambert, Hermes (CWLH) redevelopment project will replace the existing Cossack Pioneer Floating Production Storage and Offtake vessel, refurbish selected existing subsea infrastructure and increase crude production. The project is expected to be complete in 2011, will generate over 10 million barrels of crude and extend the life of the fields beyond 2020.

http://www.rigzone.com/news/article.asp?a_id=70235

Update: Offshore Oil Output Continues to Climb in Gulf of Mexico after Hurricanes Gustav and Ike, MMS Reports December 3

An estimated 193,910 b/d of oil production remained shut in the Gulf of Mexico December 3, according to the Minerals Management Service (MMS). That total accounts for about 14.9 percent of the region's output. Based on data from offshore operator reports submitted as of 11:30 a.m. CDT December 3, personnel remain evacuated from a total of 51 production platforms, equivalent to 7.4 percent of the 694 manned platforms in the Gulf of Mexico.

<http://www.mms.gov/ooc/press/2008/press1203.htm>

Update: Estimated 28,643 b/d of Oil Production Remains Shut in Louisiana December 2 after Hurricanes Ike and Gustav

Operators have restored 115,121 b/d of oil output among 17 Louisiana parishes and in-State offshore areas, the Louisiana Department of Natural Resources reported December 2. The restored figure accounted for 73.9 percent of the region's estimated 155,767 b/d capacity (the numbers are in addition to MMS reports of Federal offshore production). An estimated 28,643 b/d, or 18.4 percent of capacity, remained shut. The status of the remaining 12,004 b/d, or 7.7 percent, was unconfirmed.

<http://dnr.louisiana.gov/sec/execdiv/pubinfo/weekly-onshore-prod.ssi>

Update: Marathon Plans 2012 or 2013 Start Date for Heavy Oil Upgrading Project at its 100,000 b/d Detroit, Michigan Refinery

Marathon had originally targeted upgrade completion for 2010.

<http://www.platts.com/Oil/News/6040554.xml?p=Oil/News&sub=Oil>

Natural Gas

Power Failure Shuts 290 MMcf/d Waha Gas Plant in Texas December 3

<http://www11.tceq.state.tx.us/oce/ee/index.cfm?fuseaction=main.getDetails&target=117324>

LNG Production Growth Begins to Slow

Global LNG production is increasing at only 0.4 percent per year, the slowest annual growth rate in the past 28 years. This slowdown is due to equipment breakdowns, reduced gas supplies and delays in new projects.

<http://www.livemint.com/2008/12/03231942/LNG-output-seen-rising-at-slow.html>

Update: Restoration to Offshore Natural Gas Production in Gulf of Mexico Continues Following Hurricanes Gustav and Ike, MMS Reports December 3

An estimated 1,544 MMcf/d of natural gas output remained shut in the Gulf of Mexico December 3, according to the Minerals Management Service (MMS). That total accounts for about 20.9 percent of Federal offshore gas production in the Gulf.

<http://www.mms.gov/oc/press/2008/press1203.htm>

Update: Estimated 374 MMcf/d of Natural Gas Production Remains Shut in Louisiana December 2 after Hurricanes Ike and Gustav

Operators have restored 1,109 MMcf/d of natural gas output among 17 Louisiana parishes and in-State offshore areas, the Louisiana Department of Natural Resources reported December 2. The restored figure accounted for 67.6 percent of the region's estimated 1,642 MMcf/d capacity (the numbers are in addition to MMS reports of Federal offshore production). An estimated 374 MMcf/d, or 23.1 percent of capacity, remained shut. The status of the remaining 158 MMcf/d, or 9.6 percent, was unconfirmed.

<http://dnr.louisiana.gov/sec/execdiv/pubinfo/weekly-onshore-prod.ssi>

Other News

Alpha Natural Resources Decreases 2008 Target Coal Production by 1 Million Short Tons -- to Close West Virginia Mine

Alpha Natural Resources revised production targets due to a declining market and operating problems at its Whitetail Kittanning mine in West Virginia. Whitetail Kittanning produced 1.5 million short tons in 2007, and is expected to produce about 1.1 million short tons in 2008. The mine will be shutdown at the end of December 2008.

<http://www.platts.com/Coal/News/6039403.xml?p=Coal/News&sub=Coal>

Florida Would Need High Oil Prices to Meet Governor's 2020 Renewable Energy Use Goals – Report

A report presented to state regulators concluded that utilities could get 27 percent of their power from renewable sources (solar, wind, biomass, and others) by 2020 if fossil fuel prices are high, making alternatives more competitive. In a worst-case scenario, that is very low fossil fuel prices, only 6 percent of power may come from renewable sources. The midrange is under 15 percent.

<http://finance.yahoo.com/news/Report-Fla-may-top-govs-apf-13738712.html>

Energy Prices

U.S. Oil and Gas Prices December 4, 2008			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	43.80	52.79	87.98
NATURAL GAS Henry Hub \$/Million Btu	6.55	6.71	7.29

Source: Reuters

Energy Notes

Nevada Approves LS Power's Proposed 234-Mile 500 kV Transmission Line

<http://www.fox5vegas.com/news/18197824/detail.html>

NRC Accepts Luminant's Application for Two Nuclear Reactors at Comanche Peak Power Plant in Texas December 3

<http://www.platts.com/Nuclear/News/7496834.xml?p=Nuclear/News&sub=Nuclear>

Kinder Morgan Proposes Ethanol and Biofuel Projects to Expand Service at Terminals in the U.S. Southeast and U.S. Pacific Northwest

http://www.istockanalyst.com/article/viewiStockNews+articleid_2850910.html

Duke Energy to Appeal Ruling Requiring a Comprehensive Review of Emissions for its Proposed Cliffside Plant in North Carolina

http://www.wfae.org/wfae/1_87_316.cfm?action=display&id=4528

Flaring at Valero's 289,000 b/d Port Arthur, Texas Refinery December 3

<http://www11.tceq.state.tx.us/occeer/index.cfm?fuseaction=main.getDetails&target=117323>

Flaring at Chevron's 274,000 b/d El Segundo, California Refinery December 3

Bloomberg News, 21:28 December 3, 2008

Nevada Officials Argue Against Yucca Mountain Transport Rails, Citing Plans Need More Extensive Environmental Review

<http://www.lasvegassun.com/news/2008/dec/04/rail-line-hangs-hearing/>

DOE and Partners Test Drilling for Methane Gas Hydrates in Alaska

<http://features.csmonitor.com/environment/2008/12/03/the-abundant-fossil-fuel-you%E2%80%99ve-never-heard-of/>

U.S. Coal Export Boom Over, due to World Economic Slowdown – Trader

Reuters, 12:01 December 4, 2008

Georgia's Batumi Port in the Black Sea Shipped 560,300 Tonnes of Crude and Refined Products in November, Down from 669,200 Tonnes in November 2007

Reuters, 06:50 December 4, 2008

Gunmen Attack Oil Services Vessels near a Rig Offshore Nigeria December 4

Reuters, 10:09 December 4, 2008

Saudi Aramco's Increase in Crude Selling Prices to Asia May Indicate Further Crude Supply Reductions

http://www.rigzone.com/news/article.asp?a_id=70297

Oil Market Oversupplied and Producers Should Cut Output – Iran's OPEC Governor

Reuters, 08:19 December 4, 2008

Interline Resources Completes Production Testing on 5,000 b/d NorthCut Topping Refinery in Wyoming

<http://www.wyomingbusinessreport.com/article.asp?id=97479>

Environmental Groups Criticize Proposed 850 MW Coal-fired Power Plant in Georgia, Citing Rising Construction Costs and Anticipated Restrictions on Carbon Dioxide Emissions

<http://www.bizjournals.com/atlanta/stories/2008/12/01/daily72.html>

Links

This Week in Petroleum from the Energy Information Administration (EIA)

<http://tonto.eia.doe.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

Weekly Petroleum Status Report from EIA

http://www.eia.doe.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html

Updated after 10:30 AM & 1:00 PM EST every Wednesday.

Natural Gas Weekly Update from EIA

<http://tonto.eia.doe.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM EST every Thursday.

ENERGY ASSURANCE DAILY

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<http://www.oe.netl.doe.gov/ead.aspx>

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